

EVENING SESSION.

The House meets pursuant to recess at 8:30 o'clock P. M., and is called to order by Mr. Speaker Guion.

Mr. Murphy of Rowan, for the Special Committee to consider the matter of the South Dakota suit and the Schafer bond matters, sends up a report, which is read by the Clerk, and upon motion of Mr. McNinch, seconded by Mr. Feimster, a unanimous vote of thanks is extended to the committee, and the report is received and ordered spread upon the Journal, as follows:

March 1, 1905.

To the Honorable the General Assembly of North Carolina:

GENTLEMEN:—The committee to whom was referred the matter of the South Dakota judgment and the Schafer bonds, to the end that they might carefully consider the same and make some recommendation to the General Assembly, do now respectfully make the following report:

1. That the Governor of the State, with the approval of the Council of State, be directed to settle the South Dakota judgment in the manner deemed by them best to protect the State's interest.

2. After a careful consideration of the bonded indebtedness known as the Schafer Brothers bonds, being 242 bonds of the par value of \$1,000 each, with interest on the same for twenty-nine years, and after consultation with the attorneys of said bondholders, the committee unanimously agreed to recommend the following:

The State is to pay the bondholders \$892 per bond, which is less than par value, and amounts to \$215,864. This is \$447,216 less than the principal and interest of the 242 bonds, \$179,136 less than the first proposition suggested by the bondholders to the Governor; \$86,136 less than the first written proposition made by the bondholders, printed in the newspapers as a letter to the Governor, and \$26,136 less than the ultimatum that they offered at the first meeting of this